

4-201 Decision Authority for Strategy Allotments and Contract Actions

BOARD GUIDANCE AND SENTIMENT RELATED TO THE USE AND IMPLEMENTATION OF THE ITEMS OUTLINED IN THIS DOCUMENT

The Board's delegation of authority under this policy, for the various types of non-FTF directed/non-procurement approvals to the Executive Director, should be used in limited situations. It is the intent of the Board to retain responsibility for acting on the budget setting and awards process within the Programs Account. While the Executive Director will have authority to take action under this policy, it should be exercised judiciously and in those circumstances where waiting to the next Board meeting would create undue programmatic hardship. Additionally, when the Executive Director does exercise authority under this policy, the Board requires that the approval and its fiscal impact be expressly delineated as part of the financial update provided to the Board at its next meeting.

In adopting this policy, the Board also wants to make clear that while noting multi-year contracts are an option, they are not an option they believe should be used except on a very limited and case by case basis where significant rationale for such an agreement is present. The Board believes that as a result of its annual budgeting process and the volatile revenue source for the agency that annual contracts with options for renewal are a more prudent fiscal instrument at this time. However, examples of where a multi-year agreement might make sense include when another government is actively seeking a multi-year agreement to accommodate its process realities, or to allow potential future grant renewals for a grantee to align with the out fiscal year cycle when their original engagement starts close to the end of the current fiscal year.

FUNDING PLAN (STRATEGY ALLOTMENTS)

Approval:

Regional--

"Each regional partnership council shall annually develop a regional plan for expenditure during the next fiscal year of funds budgeted [allocated] by the Board . . . to meet the needs identified in its region." (ARS 8-1161.D)

"After its regional plan has been approved by the Board, each regional partnership council shall conduct the approved programs directly and/or make the approved grants. . .
" (ARS 8-1161.E)

In accordance with this statutory language, initial regional plans (which have been operationalized and are currently known as Funding Plans) are approved by the Board.

Statewide--

". . . from the program account . . . no more than ten percent may be used to fund statewide grants or programs directly by the Board pursuant to section 8-1192." (ARS 8-1185.A)

“The Early Childhood Development and Health Board may . . . Authorize expenditure of funds . . . to operate programs and services provided directly by the board to fund statewide grant programs . . .” (ARS 8-1192.B)

The budget documents required under ARS 8-1184 have come to serve as the basis for establishing the Statewide Program Budget. This portion of the overall budget can be viewed as the Statewide Funding Plan. Approval of this initial budget (or Statewide Funding Plan) must be approved by the Board.

Update:

Regional and Statewide --

Changes to Regional Funding Plans are forwarded by Regional Councils, and Statewide Funding Plan changes are forwarded by FTF’s Deputy Director for Policy and Programs.

All changes and updates to Funding Plans (Regional or Statewide) must be approved by the Board, except for the following circumstances which must be approved by the Executive Director.

- Unallotted allocations (not designated to a strategy) may be moved to support an existing strategy within the Regional Council’s Board approved funding plan (see definition of unallotted allocations in last section of this document).
- Unallotted allocations (not designated to a strategy) may be moved to support a Board adopted statewide strategy at the regional level regardless of whether it was in the Board approved regional funding plan.
- Funding between current strategy allotments (whether they were part of original Board action and/or ED action) may be adjusted if the total amount of the adjustment does not exceed 10% of the regions allocation or the absolute dollar value of \$100,000 whichever is lower.

Clerical errors to allotment amounts entered into Funding Plans within the accounting system which require system updates to correct that error shall be approved by the Deputy Director for Operations and logged to allow for tracking. Likewise, a nomenclature adjustment which properly align and/or define strategy allotments within an already approved funding plan can be approved by the Deputy Director for Operations and logged to allow for tracking.

CONTRACTS/IGA’S/OTHER AGREEMENTS

Approval/Award:

Regional --

“Each Regional Partnership Council shall forward to the board all of the grant proposals it has received along with its recommendations for which grants should be awarded. . .” (ARS 8-1173.D)

“The Board shall have discretion to approve or reject a Regional Partnership Council’s recommendation, in whole or in part. . .” (ARS 8-1173.E)

In accordance with this statutory language, all contracts must be originally approved by the Board.

Statewide --

As noted previously “The Early Childhood Development and Health Board may . . . Authorize expenditure of funds . . . to operate programs and services provided directly by the board to fund statewide grant programs . . .” (ARS 8-1192.B)

In accordance with this statutory language, all contracts must be originally approved by the Board.

Regional and Statewide --

There is no specific limit related to a contract period for a grantee approved by the Board, and as such they can be for longer than 1 year (limited by other applicable state law, ARS 41-2546, which places the limit at 5 years). A multi-year contract, expressly approved by the Board initially as a multi-year contract, does not need to be approved by the Board each year, and can be budgeted and accounted for according to the appropriate fiscal year allotments (such action has immediate impact on future year funding plans) and award amounts. If and when a multi-year contract is ever issued, contract language related to termination for lack of funding will be enhanced to account for the complexities of a future commitment.

Rollovers/Extensions:

Regional --

Awards originally approved by the Board which have unspent funds at the end of the fiscal year or contract period (whichever is first) may be used to complete the remainder of the scope of work under a new “extended” contract period based on the recommendation of the Regional Council and approval of the Executive Director.

Statewide --

Based on ARS 8-1185.A and the Board’s applied interpretation of this section, Statewide Programs are not able to budget and add previous years unspent funds to the current year allocation and subsequent program allotments.

Amendment:

Regional and Statewide --

Generally speaking, the Scope of Work cannot be changed without rebidding a grant or renegotiating an agreement. However, there are some modifications within a scope of work that do not require rebidding or renegotiation. These circumstances do not require Board action when they arise but they do require approval by the Executive Director.

These situations include the following:

- Regional Councils in consultation with FTF’s Deputy Director for Policy and Programs (for regional programs) or FTF’s Deputy Director of Policy and Programs

(for Statewide and Regional Programs) may recommend changes to a current grantee's agreement to include elements or components of work that were part of the original Scope of Work, but not implemented under the final service award.

- Regional Councils in consultation with FTF's Deputy Director for Policy and Programs (for Regions) or FTF's Deputy Director of Policy and Programs (for Statewide and Regional Programs) may recommend changes to a current grantee's agreement to include service areas if they were part of the original Scope of Work, but not part of the final award requirements.
- Regional Councils in consultation with FTF's Deputy Director for Policy and Programs (for Regions) or FTF's Deputy Director of Policy and Programs (for Statewide Programs) may work with the grantee to clarify data related to the service units and/or standards of practice (SOP) required under the Scope of Work. These clarifications must be agreed to by the grantee.
- Regional Councils in consultation with FTF's Deputy Director for Policy and Programs (for Regions) or FTF's Deputy Director of Policy and Programs (for Statewide Programs) may provide more services under an existing scope of work to additional children/participants, when the added cost of which is no more than \$50,000 or 10 percent higher than the existing annualized amount, whichever is less.
- Regional Councils in consultation with FTF's Deputy Director for Policy and Programs (for Regions) or FTF's Deputy Director of Policy and Programs (for Statewide Programs) may reduce the amount of the grant agreement if the grantee is agreeing to the lesser amount.

Clerical errors to award amounts and/or distributions associated to a contract within the accounting system which requires system updates to correct that error, shall be approved by the Deputy Director for Operations and reflected as a contract amendment to allow tracking of this correction.

Renewal:

Regional and Statewide --

A renewal is required when an old contract agreement expires (by date and/or availability of funds), and the Regional Council, or FTF's Deputy Director of Policy and Programs, wishes to renew its relationship with the same provider (to provide the same services in the same service areas included as part of the original scope of work).

This renewal of activities by a previously engaged provider can be viewed as the "making" of a new award, and as such requires approval from the Board.

Termination:

Regional and Statewide --

Contract termination and suspension is a procedural element to grants and contracts and the State of Arizona and First Things First include these provisions in RFGAs and other

grant agreements. First Things First must follow administrative procedures established by the State of Arizona and as such due process should follow all requirements. The most important element to due process is documentation of performance deficiencies and process improvements discussed with the grantee.

Any action should be considered on a case by case basis, based on the documentation and the best interest of the community receiving the benefit of services and First Things First. Options that exist for consideration include grant termination and grant suspension. First Things First shall consider all areas of due process to ensure proper review of documentation and available options.

A termination or suspension action shall be recommended by staff, reviewed and recommended by a Regional Council (if part of a Regional grant award) and/or the FTF Deputy Director for Policy and Programs (if part of a Statewide Grant award), and approved by the Executive Director with notice to the Board. A final appeal of this decision may be made by the grantee to the Board. However, the appeal to the Board must be submitted no more than 35 days after the grantee receives certified notice of the action.

PROGRAMS DIRECTLY CONDUCTED BY FTF

Approval/Expenditure:

Regional --

“After its regional [funding] plan has been approved by the Board, each Regional Partnership Council shall conduct the approved programs directly . . . “ (ARS 8-1161.E)

In accordance with this language after the Board approves a Regional Council’s Funding Plan the decision can be made by the Regional Council to conduct the program directly under its approved Regional Funding Plan. If a Regional Council chooses to conduct a program directly the budget (share of the strategy allotment – whole or part) and subsequent expenditure of this budget may be approved by the Executive Director.

Statewide --

Statute does not provide specific direction in regards to Statewide programs and services undertaken directly by FTF. As such guidance can be derived from the regional process.

After the Board approves the Statewide Funding Plan the Deputy Director for Policy and Programs can recommend that FTF administer the program directly. If such a recommendation is made, the budget (share of the strategy allotment – whole or part) and subsequent expenditure of this budget may be approved by the Executive Director.

Regional and Statewide --

Expenditures made directly through FTF in support of a strategy identified within a Board approved Regional Council’s Funding Plan and/or Statewide Funding Plan are subject to FTF’s normal administrative structure and procurement practices.

Clerical errors to allotment amounts entered into Funding Plan within the accounting system which require system updates to correct that error shall be approved by the Deputy Director for Operations and logged similar to any other journal entry (JE) update to allow for tracking.

DEFINTION(S)

Allocation

Board approved annual funding amount for a Region or Statewide Programs.

Allotted and Unallotted

The amount of funds directed to a strategy area, and reported as part of the funding plan.

The amount of allocation not allotted to a specific strategy is considered unallotted and available for future allotment to a strategy.

Awarded and Unawarded

The amount of funds directed to a specific program effort through a grantee, vendor, or direct FTF expenditure.

The amount of allotment not awarded to a “provider” is considered unawarded.

Expended and Unexpended

The amount of funds spent (against an Award, Purchas Order or Payroll Line).

The amount of funds not currently expended (and for program funds this is typically calculated in relation to awards)

Service Unit and Target Service Unit

The FTF designated unit of services to be completed. For example -- families to receive home visitation services, or early care providers to receive support to expand their services for children.

The actual number of units to be completed by the provider. For example -- 90 families to receive home visitation services, or 23 early care providers to receive support to expand their services for children.

Standards of Practice

Define best practice for program conduct, specifying specific services or practices including programmatic intensity and quality, guidelines for professional conduct and preparation, and client eligibility and cost.

Adopted September 28, 2010